

**THE COALITION'S REAL ACTION PLAN
TO STOP LABOR'S SCHOOL HALL WASTE
AND PROVIDE A SCHOOLS BUILDING BOOST**



EXECUTIVE SUMMARY

Julia Gillard's *Building the Education Revolution* 'school halls' programme is set to be the biggest waste of taxpayers' money in Australian history.

Labor has failed to manage properly the billions of dollars of taxpayer funds that have been poured into this programme, leading to waste, rorts, price gouging, collusion and shameful mismanagement.

Labor has also failed to respond properly to the ongoing and credible warnings and reports of waste and mismanagement, despite compelling evidence of systemic and widespread problems. Labor refuses to accept these problems are systemic.

There have been many examples of overcharging, needless bureaucratic costs, pointless over-design of buildings and fee gouging by managing contractors.

The Coalition values taxpayers' funds. Unlike Labor, the Coalition will not stand by and allow any of the \$5.5 billion of taxpayers' money that remains unspent to evaporate.

The strong public evidence from numerous examples across the country demonstrates that public sector government school buildings constructed through Julia Gillard's school halls' programme have been costing anywhere from twice to ten times as much as equivalent building projects that have been constructed in non-government schools and managed independent of state governments and bureaucracies.

It is an indisputable fact that schools with principals in control of projects have gained greater value for money. Recently a Primary School in New South Wales made significant savings through self-management delivering a classroom block for two thirds the cost of projects managed by the NSW State Government.¹

A Coalition Government would be able to ensure more schools benefit by cutting out the wasteful state bureaucracies and excessive management fees.

The Coalition will:

- Redirect unspent BER 'school halls' funds away from state education departments and instead give these funds directly to each school;
- Give schools the freedom to decide what infrastructure they need and what will help them enhance the education of our students;
- Allow each school to self-manage projects in order to deliver better value for money; and
- Let schools keep the money they save for investment in other worthy projects or for more comprehensive infrastructure in the first place.

¹ "More for Less by Self Managing" (*The Australian* 5th July 2010)

BACKGROUND

After three years of Labor, Australia is heading down the wrong track.

Reckless spending, a \$93 billion debt, six interest rate increases in a row, a \$57 billion deficit and Labor Government borrowings of \$700 million a week for the next two years, have put the Australian economy in a highly vulnerable position.

After three years of Labor's reckless spending and broken promises, the Coalition offers a better way – real action, prudent financial management and sustainable growth, driven by policies designed for higher productivity, to get Australia back on the right track.

Julia Gillard's 'school halls' rip-off

It is estimated that BER waste has cost up to \$8 billion dollars². This is a massive amount of money that could have funded much worthwhile public investment. For example, it is equivalent to the cost of building eight brand new large tertiary hospitals, or enough to employ 80,000 nurses for an entire year³.

Hundreds of examples of waste and mismanagement have emerged, and the revelations continue. This is set to be the biggest waste of taxpayers' funds in Australia's history.

A sample of the hundred of examples of rorts and mismanagement demonstrate some of the serious the problems with Julia Gillard's 'school halls' programme.

There was the school canteen, no bigger than a single car garage that cost \$600,000⁴. There was the mass produced library costing more than \$850,000 delivered on the back of a truck that didn't fit the foundations⁵. And there was covered outdoor learning area, no better than a corrugated iron shed which cost \$900,000⁶.

Government schools around Australia have been forced to take mass-produced and over-priced template designs or simply miss out. In contrast, non-government schools have had control over design and cost, and have been able to build better facilities that meet school needs, for the same or lower cost.

² Many reported examples exist of schools receiving 50 per cent or less in value including "Primary School that was robbed" (*The Australian* 25 September 2009), "Parents bullied into taking less" (*The Australian* 18 May 2010), "Offer of demountables anger community" (*The Australian* 20 May 2010), "Double Classroom, Double Bill" (*The Australian* 23 June 2010). Further reports indicate as much as 40 per cent may have been lost "Builders reap \$5 billion, say principals" (*The Sydney Morning Herald* 18 May 2010).

³ Assumes cost of \$1 billion per Hospital and employment cost of \$100,000 per nurse

⁴ "Country school cans \$600,000 canteen" (*The Daily Telegraph* 1 April 2010)

⁵ "\$850,000 school funding bungle" (*Tweed News* 23 February 2010)

⁶ "Overpriced jobs were assessed as value for money" (*The Australian* 9 April 2010).

The Coalition supports investment in schools

The Coalition strongly supports investment in school infrastructure.

We understand that school infrastructure must constantly evolve and improve in order to meet the changing needs of schooling, and to ensure the best possible opportunities for enhancing student learning and education outcomes.

The former Coalition Government's "*Investing In Our Schools*" programme recognised the importance of infrastructure investment. This enormously successful scheme provided over \$1.2 billion dollars directly to schools.

Crucially, "*Investing In Our Schools*" also recognised that it is the people on the ground, the school communities themselves, who are best placed to decide what is needed and how to get it done.

In contrast, Labor's BER rip-off completely ignores schools. In typical Labor style, Julia Gillard's 'school halls' programme tells schools what there will get - and doesn't even bother to ask what is needed.

Labor's system also gives taxpayers money directly to the state education department bureaucrats who are not accountable, and are not construction experts.

Under the current system, government schools have no incentive to save as money not spent at the school is reclaimed by the state governments.

Labor's addiction to bureaucracy, combined with Labor's "we know what is best for you" attitude, has prevented parents, students and schools to get value for money.

This rip-off and waste must stop.

The Coalition is committed to establishing a full Judicial Inquiry on behalf of taxpayers to get to the bottom of the BER 'school halls' rip-offs, rorts and mismanagement.

THE COALITION'S REAL ACTION PLAN TO STOP LABOR'S WASTE AND PROVIDE A BER SCHOOL BUILDING BOOST

The Coalition believes that the only way to achieve value for money in school infrastructure investment is to let schools themselves decide what they need, and to give schools a much greater say in the building of their new school infrastructure.

That is why an elected Coalition Government will give a voice back to schools, allow schools to extract maximum value for money for what they receive, and let schools re-invest any savings.

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Unlike Labor's BER 'school halls' rip-off, the Coalition will not:

- Allow head office to tell schools what they are getting;
- Restrict the use of building contractors or suppliers;
- Impose infrastructure upon schools that they do not need or want;
- Allow state governments to pocket the savings if infrastructure comes in under budget; or
- Pressure school principals or school communities if they have a grievance.

Immediately following a return to government the Coalition will consult extensively with affected stakeholders about the most effective way to ensure schools get what they want and achieve value for money.

Schools that have been allocated funding under Labor's BER 'school halls' programme will still be entitled to receive that money.

However, they will have the option of choosing to stick with with the project/s they have been told they will receive, or to select another option that actually suits their needs.

If they keep their original project, they will be free to take on the management of that project themselves, including getting better value for money through a proper competitive tender process and the use of local builders and contractors rather than state government controlled providers.

BER 'SCHOOL HALLS' WASTE AND MISMANAGEMENT – SOME EXAMPLES

"Rudd funds to pay for duplicate buildings" (The Australian 16 June 2009)

Holland Park State School Holland Park just completed a brand new multi-purpose hall for \$1.3 million and yet has received a BER program grant of \$1.5 million to build another. Additionally, the school already has a functioning library that it is happy with but will also receive an additional BER grant of \$1.5 million grant to build another.

"Country school cans \$600,000 canteen" (Daily Telegraph 1 April 2010)

Tottenham Central School in Tottenham New South Wales - A canteen has been built at the Tottenham School under the BER program at the cost of \$600,000. The new canteen is so small, described as being the same size as a single car garage that two people cannot work inside the canteen safely. The school's P&C President has said that "I can't believe \$600,000 of taxpayers' money has gone into this"

"It's a bungle out there says Principal" (The Australian 18 June 2009)

Berwick Lodge Primary Berwick lodge requested that a library and six classrooms under its \$3 million BER grant. However, the school was offered a gym estimated in value at \$2.1 million in spite of the fact that the school already has a gym. The School Principal has said of the BER program that "What chance do our kids have as adults if a culture of bullying exists in the higher echelons of our education bureaucracy?"

"Overpriced jobs were assessed as value for money" (The Australian 9 April 2010)

Hastings Public School A covered outdoor learning area was due to be built at Hastings School under the BER program at the cost of \$954,000. The original budgeted cost for the project was \$400,000. Following widespread community condemnation and backlash the New South Wales Minister for Education was forced to scrap the project.

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